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MONTANA LEGISLATIVE HISTORY

Chapter 179 19 89

Bill H _____ S 195 Original bill & history ___C

H. Committee on Business & Economic Development		S. Committee on Business & Industry	
Hearing Date(s) Mar 03	✓ C	Hearing Date(s) Jan 25	✓ C
_____	___C	_____	___C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out Mar 03	✓ C	Jan 25	✓ C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

	TRANSMITTED TO HOUSE		
2/21	REFERRED TO STATE ADMINISTRATION		
2/28	HEARING		
2/28	COMMITTEE REPORT--BILL CONCURRED		
3/02	2ND READING CONCURRED	97	0
3/04	3RD READING CONCURRED	93	0
	RETURNED TO SENATE		
3/10	SIGNED BY PRESIDENT		
3/10	SIGNED BY SPEAKER		
3/10	TRANSMITTED TO GOVERNOR		
3/14	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 89 EFFECTIVE DATE: 10/01/89		

SB 175 INTRODUCED BY BECK, ET AL.
PROVIDE PROCEDURE FOR ACTION AGAINST UNLAWFUL MOTOR VEHICLE DEALER
BY REQUEST OF DEPARTMENT OF JUSTICE

1/18	INTRODUCED		
1/18	REFERRED TO BUSINESS & INDUSTRY		
1/25	HEARING		
1/26	COMMITTEE REPORT--BILL PASSED		
1/28	2ND READING PASSED	44	0
1/31	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
2/21	REFERRED TO BUSINESS & ECONOMIC DEVELOPMENT		
3/03	HEARING		
3/03	COMMITTEE REPORT--BILL CONCURRED		
3/06	2ND READING CONCURRED	88	3
3/07	3RD READING CONCURRED	89	4
	RETURNED TO SENATE		
3/13	SIGNED BY PRESIDENT		
3/14	SIGNED BY SPEAKER		
3/15	TRANSMITTED TO GOVERNOR		
3/20	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 179 EFFECTIVE DATE: 10/01/89		

SB 176 INTRODUCED BY DEVLIN, ET AL.
IMPOSE $25 LATE PAYMENT PENALTY ON STATE AGRICULTURAL AND GRAZING LEASES
BY REQUEST OF DEPARTMENT OF STATE LANDS

1/18	INTRODUCED		
1/18	REFERRED TO AGRICULTURE, LIVESTOCK & IRRIG.		
1/19	FISCAL NOTE REQUESTED		
1/25	HEARING		
1/25	FISCAL NOTE RECEIVED		
1/26	COMMITTEE REPORT--BILL PASSED		
1/27	FISCAL NOTE PRINTED		
1/28	2ND READING PASSED	44	0
1/31	3RD READING PASSED	47	3
	TRANSMITTED TO HOUSE		
2/21	REFERRED TO AGRICULTURE, LIVESTOCK & IRRIG.		
3/03	HEARING		
3/04	COMMITTEE REPORT--BILL CONCURRED		
3/06	2ND READING CONCURRED	85	6

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By Chairman Gene Thayer, on January 25, 1989, at 10:00 a.m.

ROLL CALL

Members Present: Chairman Thayer, Vice Chairman Meyer, Senator Boylan, Senator Noble, Senator Williams, Senator Hager, Senator McLane, Senator Weeding, Senator Lynch.

Members Excused: None

Members Absent: None

Staff Present: Mary McCue, Legislative Council

Announcements/Discussion: None

HEARING ON SENATE BILL 175

Presentation and Opening Statement by Sponsor: Senator Beck, Senate District 24, stated SB 175 provided a procedure for people harmed by unlawful conduct of a licensed motor vehicle dealer, to take action against the dealer's acquired bonds. He said, licensed dealers are required to have a $5,000 bond, insuring their compliance to law. He said situations had arisen where vehicles had been sold without a clear title, or lien, causing a financial loss to the purchaser. He said, "At the present time, the dealers bond runs to the state and is considered to be a punitive bond which does not provide financial relief to the injured party. This bill provides a method by which the injured party can recover a loss caused by the unlawful acts of a licensed dealer."

List of Testifying Proponents and What Group They Represent:

Peter Funk - Department of Justice
Bud Shane - Motor Vehicle Division

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Peter Funk explained SB 175 as a procedural clarification of the existing statutes. He stated there were no changes of substance contained in the bill until page 4. He cited language at the bottom of page 4 which required any licensed dealer in the state of Montana to post a $5,000 bond with the department. Mr. Funk stated, the language read, "The applicant shall conduct his business in accordance with the requirements of the law". He said several instances had arisen where an individual had been harmed by the unlawful act of a dealer, and they attempted to utilize the bond. He explained, under the existing statutory language, there was no direction or process by which the bond could be paid to an injured party. He stated they had drafted all of the clarifying language in subsection (b), starting at paragraph 4. He explained that if someone was harmed, in the manner described, he must obtain a judgment from a court of competent jurisdiction. He said the judgment had to state two things essentially, and they were contained in the last sentence of the proposed amendment.

The judgment must determine if there was a specific loss or damage, and if it was caused by the dealer's unlawful operation. He said, in the past, harmed individuals were the plaintiff, and both the department and the dealer were named in the suit. He explained that the department had no place being involved in the actual suit. He further explained, the purpose of the suit was to determine proof of harm being done, and who was responsible for the harm. He said that in the past, the department had expended a fairly substantial amount of resources through involvement in such actions. He stated it would be preferable to have the issue of damage and cause resolved, and the judgement made before the Department became involved. He stated there was also language contained in the paragraph which restricted the cost for the department had to fall within the amount of the bond.

Mr. Shane stated, on an average year, they received twelve to fifteen complaints from consumers, and nearly the same number from attorneys trying to

collect on the bonds. He said there were also nearly two dozed bonds cancelled each year.

Questions From Committee Members: Chairman Thayer asked if the dealers were used car dealers rather than new car dealerships? Mr. Shane replied, "There have been no claims, or cancelled bonds from a franchised dealer. Complaints have been on used car dealers, and traders who sell motor homes also."

Closing by Sponsor: Senator Beck expressed his appreciation for the committee's consideration, and urged their support.

DISPOSITION OF SENATE BILL 175

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Senator Lynch moved SB 175 Do Pass. Senator williams seconded the motion. The motion carried unanimously.

HEARING ON SENATE BILL 186

Presentation and Opening Statement by Sponsor: Senator Boylan, Senate District 39, addressed the committee by stating SB 186 was "An act requiring the sale of the State Workers' Compensation Insurance Plan Fund to the highest responsible bidder." He also stated, "There are about thirty states in the United States that do not have State Workers' Compensation."

He said that last session there had been an interim committee appointed to study workers' compensation. He stated, "Also there was a conference committee, on the bills, to try to make the workers' compensation better. I don't think workers' compensation improved any, I think that it is as bad as it was and maybe a little bit worse. The Governor, in his State of The State Message, said that there is a $157,000,000 unfunded liability."

Senator Boylan then passed out a letter from one of his constituents (See Exhibit 1). He also supplied a copy of a Workers' Compensation Newsletter from California (See Exhibit #2).

ROLL CALL

BUSINESS & INDUSTRY COMMITTEE

DATE 1/25/89

51st LEGISLATIVE SESSION 1989

NAME	PRESENT	ABSENT	EXCUSED
SENATOR DARRYL MEYER	✓		
SENATOR PAUL BOYLAN	✓		
SENATOR JERRY NOBLE	✓		
SENATOR BOB WILLIAMS	✓		
SENATOR TOM HAGER	✓		
SENATOR HARRY MC LANE	✓		
SENATOR CECIL WEEDING	✓		
SENATOR JOHN"J.D."LYNCH	✓		
SENATOR GENE THAYER	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

January 25, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration SB 175 (first reading copy -- white), respectfully report that SB 175 do pass.

DO PASS

Signed: _____
Gene Thayer, Chairman

1/26/89
9:27 a.m.

DATE 1/25/89

COMMITTEE ON Business & Industry

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support	Check One: Oppose
Bud Schoen	Motor Vehicle Div	SB175	✓	
Jim Burchmott	Mont. Dma. Dept	SB186		
Steve Turkiewicz	Mt Auto Dealers Assn	SB175		
Mike Sherwood	MTLA	SB186		
Lorna Frank	Farm Bureau	SB186	✓	
Joyce Dillon	1500 Post Creek Rd	SB186	✓	
Peter Funk	Dept. of Justice	SB.175	✓	
Dave Stadon	Bozeman Chamber	SB186	✓	
Bob Johnson	NFIB	SB186	–	
Bill Cole	Kruger Mobile Home Co	SB186	✓	
Mike Kadas	Self	SB186	✓	
Jim Simkins	Simkins Hall	SB186	✓	
Jim Mersey	Mont. State AFL-CIO			✓
Bill Romney	DNC	SB186		
Jim Murphy	DNC	SB186		

(Please leave prepared statement with Secretary)

HEARING ON SENATE BILL 175

Presentation and Opening Statement by Sponsor:

Sen. Beck, Senate District 24, here today to present to you a total of 4 bills, starting with SB 175. This bill will provide a procedure to enable a person harmed by the unlawful conduct of a licensed motor vehicle dealer to take action against the dealer's required bond.

Testifying Proponents and Who They Represent:

Peter Funk, Assistant Attorney General, Department of Justice

Proponent Testimony:

Mr. Funk said that Sen. Beck introduced this bill at the department's request. On page 4, line 17, the existing language regarding the dealer bond. It simply says that the purpose is to protect against the unlawful operation by motor vehicle dealers. The reason we are proposing the change is to clarify the procedure under which a person could collect against that bond. What we are proposing is a process which will specify what a person has to do when they are harmed in this situation.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: None

Closing by Sponsor: Sen. Beck said that this type of legislation would not be used very often. It is a consumer protection bill and I ask your support of this bill.

HEARING ON SENATE BILL 298

Presentation and Opening Statement by Sponsor:

Sen. Farrell, Senate District 31. The purpose of long-term care insurance act is to establish minimum standards as to what can be sold in Montana as long-term care insurance. Long-term care definition in the bill means insurance which provides inpatient health coverage for not less than 12 consecutive months in a facility other than the acute care unit of a hospital. This type of coverage is commonly referred to as nursing home coverage. Our state currently has no minimum standards for this type of coverage.

undoubtedly these people must have said something in the Senate hearing, how do you feel about it? Sen. Beck said this is the first he has heard about it. It did not come up in the Senate hearing, but he has no problem with the proposed amendment.

Rep. Nelson asked Sen. Beck if they weren't just talking about lines 21 through 25 on page 2, not the whole Section 1? Sen. Beck said that could be. Paul Verdon said if you strike all of Section 1, the law will remain as it is right now.

Closing by Sponsor: Sen. Beck said he thinks there is a lot of good in the bill and if you want to amend Section 1 that is fine with me. I have no problem with this.

DISPOSITION OF SENATE BILL 175

Motion: Rep. DeMars moved BE CONCURRED IN.

Amendments, Discussion, and Votes: None

Recommendation and Vote: SB 175 BE CONCURRED IN unanimously.

DISPOSITION OF SENATE BILL 365

Motion: Rep. Bachini moved BE CONCURRED IN.

Amendments, Discussion, and Votes: None

Recommendation and Vote: SB 365 BE CONCURRED IN unanimously.

DISPOSITION OF SENATE BILL 366

Motion: Rep. Bachini moved BE CONCURRED IN.

Amendments, Discussion, and Votes: None

Recommendation and Vote: SB 366 BE CONCURRED IN unanimously.

DISPOSITION OF SENATE BILL 330

Motion: Rep. Nelson moved BE CONCURRED IN.

Amendments, Discussion, and Votes: Rep. Nelson moved to delete Section 1.

Rep. Simon said he was worried about the cleanup language in Section 3 if we take Section 1 out. Paul Verdon, said it

DAILY ROLL CALL

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date 3 3 89

NAME	PRESENT	ABSENT	EXCUSED
PAVLOVICH, BOB	✓		
DeMARS, GENE	✓		
BACHINI, BOB	✓		
BLOTKAMP, ROB	✓		
HANSEN, STELLA JEAN	✓		
JOHNSON, JOHN	✓		
KILPATRICK, TOM	✓		
McCORMICK, LLOYD "MAC"	✓		
STEPPLER, DON	✓		
GLASER, BILL	✓		
KELLER, VERNON	✓		
NELSON, THOMAS	✓		
SIMON, BRUCE	✓		
SMITH, CLYDE	✓		
THOMAS, FRED	✓		
WALLIN, NORM	✓		
PAUL VERDON	✓		

ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

DATE 3/3/89 BILL NO. SB175 NUMBER _____

NAME	AYE	NAY
Bob Pavlovich		
Bob Bachini		
Rob Blotkamp		
Gene DeMars		
Bill Glaser		
Stella Hansen		
John Johnson		
Vernon Keller		
Tom Kilpatrick		
Lloyd McCormick		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Don Steppler		
Fred Thomas		
Norm Wallin		
TALLY	16	

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: Rep DeMars moved to be concurred in

Rep. Campbell will carry

STANDING COMMITTEE REPORT

March 3, 1989

Mr. Speaker: We, the committee on Business and Economic Development report that SENATE BILL 175 (blue reference copy) be concurred in .

Signed: _____
Robert Pavlovich, Chairman

[REP. CAMPBELL WILL CARRY THIS BILL ON THE HOUSE FLOOR]

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